



Asheville City Schools

Administrative Offices • PO Box 7347 • 85 Mountain Street • Asheville, North Carolina 28802

May 12, 2015

ELECTRONICALLY TRANSMITTED

Buncombe County Board of Commissioners
County Manager, Finance Director, and Budget and Management Services Director
Asheville, North Carolina

Contained herein is the local budget request of the Asheville City Schools for 2015-16 as adopted by the Asheville City Board of Education on April 27, 2015:

Local Current Expense Fund

Buncombe County General Appropriation (projected at 15.40% of ADM)	<u>\$ 9,485,870</u>
Projected Pass-Through Revenues:	
Asheville District Supplemental Tax (as collected; rate remains at 15¢; less \$100,000 budgeted in Capital Outlay Fund)	8,127,889
Fines and forfeitures (as collected)	<u>105,000</u>
Total Pass-Through Revenues	<u>8,232,889</u>
Total Local Current Expense Fund Appropriation and Pass-Through Revenues	<u>\$17,718,759</u>

It is requested that the Buncombe County Board of Commissioners apportion the general appropriation and fines and forfeitures between the Asheville City Schools and the Buncombe County Schools on a per-pupil basis, as required by N.C. General Statute §115C-430, taking into account charter school pupils.

Other Specific Revenue Fund

Projected Pass-Through Revenues – Sales tax revenue (as collected)	<u>\$ 2,430,212</u>
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Capital Outlay Fund

Buncombe County Capital Outlay Appropriation (projected at 15.03% of Article 40/42 sales tax, as collected)	<u>\$ 1,720,482</u>
Projected Pass-Through Revenues:	
Asheville District Supplemental Tax (as collected; rate remains at 15¢; \$100,000 budgeted in Capital Outlay Fund)	<u>100,000</u>
Total Capital Outlay Fund County Appropriation and Pass-Through Revenues	<u>\$ 1,820,482</u>

The Board of Education reviewed the recommendations of the Superintendent and adopted the budget proposal herein requested. As requested by the County Manager, a spreadsheet is attached comparing actual revenues and expenditures for fiscal year 2014 to budgeted revenues and expenditures for fiscal years 2015 and 2016 (proposed).

LOCAL CURRENT EXPENSE FUND AND OTHER SPECIFIC REVENUE FUND

Asheville City Schools is requesting that the tax rate for the Asheville District Supplemental Tax remain at the current rate of 15¢. Based on estimates provided by Buncombe County Budget and Management Services, collections of the Asheville District Supplement Tax are expected to increase \$218,114.

As the Commissioners are aware, legislation has been introduced that may impact the amount of sales tax revenues to be shared with Asheville City Schools per the ad valorem method. Asheville City Schools has prepared its budget proposal based on no change to existing legislation regarding local sales tax revenues and the distribution thereof. Accordingly, per estimates received from Buncombe County Budget and Management Services, a decrease of \$101,748 is projected for sales tax revenues to be recorded in the Other Specific Revenue Fund.

For fiscal year 2015-16, Asheville City Schools is requesting that the total Buncombe County General Appropriation to be apportioned between Asheville City Schools and Buncombe County Schools increase at least 2.0% from \$60,388,785 to \$61,596,561. Because the distribution of this total funding is impacted by students residing within Buncombe County that attend a North Carolina charter school and because that information is not yet available, the exact distribution of funding between the two school systems is not yet known. However, Asheville City Schools is projecting that its share of the total General Appropriation will increase from 14.90% to 15.40%, including charter school students, and is submitting its local budget proposal based on that distribution percentage. If the total General Appropriation increases 2.0% and if Asheville City Schools' share of the total General Appropriation also increases from 14.90% to 15.40%, Asheville City Schools will experience an increase of \$487,941 in the Buncombe County General Appropriation next fiscal year.

Based on the projected increase in the Asheville District Supplement Tax, the projected decrease in sales tax revenues and the requested increase in the Buncombe County General Appropriation, Asheville City Schools has prepared its local budget request based on a combined net increase of \$604,307 for these three revenue sources. This increase is needed for the following items budgeted within the Local Current Expense Fund and the Other Specific Revenue Fund:

- **\$171,414** – Projected salary increase, including matching benefits, for locally paid teachers who will move from one salary tier to another on the existing state certified salary schedule or who will enjoy a salary increase due to the expected increase to the salary on the first tier of the certified salary schedule from \$33,000 to \$35,000.

- **\$51,051** – Projected impact, including matching benefits, to the local salary supplement for both locally and state paid teachers who will move from one salary tier to another on the existing state certified salary schedule or who will enjoy a salary increase due to the expected increase to the salary on the first tier of the certified salary schedule from \$33,000 to \$35,000.
- **\$6,462** – Projected 3% salary increase, including matching benefits, for locally paid school administrators.
- **\$3,447** – Projected impact, including matching benefits, to the local salary supplement for both locally and state paid school administrators who receive a 3% salary increase.
- **\$82,357** – Projected increase to the retirement matching rate as set by the North Carolina General Assembly.
- **\$25,152** – Projected increase to the employer hospitalization cost as determined by the North Carolina General Assembly.
- **\$73,565** – Projected cost if Asheville City Schools is mandated to continue to provide a driver's education program without any funding through the State Public School Fund.
- **\$52,500** – Projected cost, including matching benefits, to maintain teacher assistants at the current funding level following the loss of non-recurring funding for teacher assistants in the State Public School Fund.
- **\$17,652** – Projected cost to subscribe to the Home Base/Learning Management System previously funded through Race to the Top funds available to the Department of Public Instruction.
- **\$70,707** – Projected partial support to restructure our early childhood program to serve more three and four year olds.
- **\$50,000** – Projected cost to conduct an in-depth architectural study of infrastructure needs for the main building at Asheville High School.

The total of these items is \$604,307. Should additional funding in excess of this amount be available or if actual costs are less than those projected above, Asheville City Schools would use the additional funding to 1) help absorb the impact of proposed legislation that may negatively affect Asheville City Schools' available funding if passed into law; 2) address needs that may be identified as Asheville City Schools continues to develop a new 5-year strategic plan; and 3) redirect Asheville District Supplemental Taxes from the Local Current Expense Fund to the Capital Outlay Fund to assist with infrastructure needs at Asheville High School.

CAPITAL OUTLAY FUND

The budget proposal for the Capital Outlay Fund has been prepared based on \$100,000 of the Asheville District Supplemental Tax to be budgeted in that fund, along with 15.03% of Article 40/42 sales tax to be shared with Asheville City Schools as estimated by Buncombe County Budget and Management Services.

The major activity within the Capital Outlay Fund continues to be centered upon the construction of the new Isaac Dickson Elementary School and the new Asheville Middle School. The amounts budgeted for both projects represent the projected remaining project balances as of June 30, 2015. Additionally, the amount budgeted for Isaac Dickson Elementary School also includes \$1,950,000 that Asheville City Schools expects to expend from its School Capital Commission Fund account due to the costly and unexpected debris issues encountered during construction of that school. We are grateful to the Commissioners, the County Manager and the Finance Office for their efforts to secure the financing for those two projects. We also appreciate the ongoing support received from the Assistant County Manager and the General Services Director during the construction phase of both projects.

We look forward to discussing our budgetary needs with you as you may request. We will attempt to provide you with any additional information needed. We greatly appreciate the support you have given us in the past and the excellent working relationship we have enjoyed. We are confident that you will provide the highest level of financial support possible to meet the educational needs of our students.

Respectfully yours,

THE ASHEVILLE CITY BOARD OF EDUCATION

A handwritten signature in black ink, appearing to read "Pamela Baldwin", with a stylized flourish at the end.

Dr. Pamela Baldwin, Superintendent

Attachments

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

Local Current Expense Fund	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
Revenues			
County General Appropriation	\$ 8,526,806	\$ 8,997,929	\$ 9,485,870
Asheville District Supplemental Tax	7,522,848	7,909,775	8,127,889
Fines and Forfeitures	107,219	105,000	105,000
Interest Earned	23,038	20,000	20,000
Fund Balance Decrease (Increase) - Fiscal Year 2014	245,914	-	-
Fund Balance Appropriated	-	1,325,750	1,588,750
Total Local Current Expense Fund Revenues	\$ 16,425,825	\$ 18,358,454	\$ 19,327,509
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 4,093,300	\$ 4,775,682	\$ 4,975,160
Special Populations Services	369,499	369,147	375,457
Alternative Programs & Services	685,940	842,584	1,125,243
School Leadership Services	1,434,669	1,400,183	1,351,099
Co-Curricular Services	210,345	243,018	246,188
School-based Support Services	797,941	1,250,423	1,269,900
System-wide Support Services			
Regular Instructional Support Services	185,391	149,375	273,097
Special Populations Support Services	127,527	136,389	123,842
Alternative Programs Support Services	92,159	215,832	260,328
Technology Support Services	719,514	733,712	744,138
Operational Support Services	4,617,481	4,742,871	4,981,515
Financial & Human Resource Services	817,450	912,866	980,378
Accountability Services	108,545	111,207	112,455
System-wide Pupil Support Services	328,049	350,454	233,864
Policy, Leadership & Public Info Services	991,265	894,638	932,112
Ancillary Services - Nutrition Services	4,443	13,179	13,444
Non-programmed Charges			
Payments to Charter Schools	699,311	962,130	1,077,625
Transfers to Other Funds	142,996	204,764	201,664
Contingency	-	50,000	50,000
Total Local Current Expense Fund Expenditures	\$ 16,425,825	\$ 18,358,454	\$ 19,327,509

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

Other Specific Revenue Fund	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
Revenues			
State Funds			
Smart Start	\$ 153,485	\$ 151,736	\$ 148,000
NC PreK	366,808	374,460	369,720
Federal Funds			
Medicaid Administrative Outreach	50,768	25,790	-
Medicaid Direct Services Reimbursement	87,507	191,668	61,153
Impact Aid	46,421	45,000	60,000
Early Head Start	993,548	1,237,194	138,000
NC Quest Grant	30,397	21,640	-
Marine Junior ROTC	63,805	65,000	65,500
Local Funds			
Sales Tax	2,540,159	2,531,960	2,430,212
Sales Tax Refunds	39,450	35,000	35,000
Tuition and Fees	166,650	130,000	140,000
Day Care Fees	253,581	238,663	272,400
Rental of School Property	14,045	15,000	15,000
Interest Earned	6,315	6,000	6,000
Indirect Cost	129,716	175,790	175,733
Local Grants/Contracts			
Asheville City Schools Foundation (ACSF)	-	2,000	-
Healthy and Ready to Learn	-	1,252	-
Homeless	791	1,000	-
Sisters of Mercy	25,000	-	-
Z Smith Reynolds	5,175	9,825	-
Head Start	104,500	104,500	104,500
Fund Balance Decrease (Increase) - Fiscal Year 2014	128,805	-	-
Fund Balance Appropriated	-	375,425	358,955
Total Other Specific Revenue Fund Revenues	\$ 5,206,926	\$ 5,738,903	\$ 4,380,173
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 1,483,673	\$ 1,591,238	\$ 1,661,571
Special Populations Services	794,212	607,451	358,599
Alternative Programs & Services	1,647,284	2,104,549	1,151,495
School Leadership Services	191,051	186,747	184,239
School-based Support Services	213,800	262,844	216,816
System-wide Support Services			
Regular Instructional Support Services	13,774	14,501	27,376
Special Populations Support Services	10,159	11,156	10,010
Alternative Programs Support Services	120,526	131,599	35,516
Technology Support Services	37,373	38,679	40,067
Operational Support Services	312,450	391,192	292,719
Financial & Human Resource Services	51,698	54,341	62,757
Accountability Services	8,777	8,876	8,995
System-wide Pupil Support Services	27,081	27,377	18,629
Policy, Leadership & Public Info Services	84,449	90,483	89,680
Ancillary Services			
Community Services	139,492	137,953	141,331
Nutrition Services	69,867	79,860	80,373
Non-programmed Charges - Indirect Cost	1,260	57	-
Total Other Specific Revenue Fund Expenditures	\$ 5,206,926	\$ 5,738,903	\$ 4,380,173

ASHEVILLE CITY SCHOOLS

Comparison of Fiscal Year 2014 Actual Revenues/Expenditures to Fiscal Year 2015 Budgeted Revenues/Expenditures and Fiscal Year 2016 Proposed Budgeted Revenues/Expenditures

Capital Outlay Fund	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Current Budget	Fiscal Year 2015-2016 Proposed Budget
Revenues			
State Funds			
Lighting Efficiency Grant	\$ -	\$ 10,887	\$ -
ADM through SCCF - New IDES	-	-	582,828
Lottery Funds through SCCF - New IDES	-	-	1,367,172
Lottery Funds through SCCF - Hall Fletcher Roof	190,000	-	-
Federal Funds - FEMA Disaster	10,196	-	-
Local Funds			
QZAB through SCCF - AHS	11,494	-	-
LOBS through SCCF - New IDES	4,401,213	14,794,831	8,785,000
LOBS through SCCF - New AMS	2,033,637	38,080,401	27,750,000
Article 40/42 Sales Tax	1,578,003	1,579,413	1,720,482
Asheville District Supplemental Tax	619,500	100,000	100,000
Sales Tax Refunds	32,437	182,161	155,000
Contributions and Donations	5,809	17,300	-
Local Grant from ACSF	14,000	-	-
Interest Earned	3,618	5,000	5,000
Sale of School Property	5,018	7,500	5,000
Insurance Reimbursements	30,101	5,906	-
Fund Balance Decrease (Increase) - Fiscal Year 2014	(369,644)	-	-
Fund Balance Appropriated	-	796,685	57,500
Total Capital Outlay Fund Revenues	\$ 8,565,382	\$ 55,580,084	\$ 40,527,982
Expenditures			
Instructional Services			
Regular Instructional Services	\$ 135,026	\$ 155,213	\$ 142,982
School-based Support Services	646,742	600,000	600,000
System-wide Support Services			
Technology Support Services	10,096	15,000	15,000
Operational Support Services	72,288	95,906	80,000
Capital Outlay	7,676,429	54,678,965	39,655,000
Non-programmed Charges			
Transfers to Other Funds	24,801	25,000	25,000
Contingency	-	10,000	10,000
Total Capital Outlay Fund Expenditures	\$ 8,565,382	\$ 55,580,084	\$ 40,527,982